

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

915 CAPITOL MALL, ROOM 485

SACRAMENTO, CA 95814

TELEPHONE: (916) 654-6340

FAX: (916) 654-6033

William J. Pavão  
*Executive Director***MEMBERS:**Bill Lockyer, Chair  
*State Treasurer*Michael C. Genest, Director  
*Department of Finance*John Chiang  
*State Controller*

DATE: May 30, 2007  
TO: Low Income Housing Tax Credit Applicants  
FROM: William J. Pavão, Executive Director  
RE: Information Regarding Neighborhood Revitalization Submittals

The California Tax Credit Allocation Committee (TCAC) receives competitive applications twice annually for nine percent (9%) federal credits. Except for rural projects, each submitted application is evaluated on either the Neighborhood Revitalization scoring factor, or the Balanced Community scoring factor. Recently, TCAC has received a number of neighborhood revitalization (NR) submittals that either (a) lack a key point-scoring feature, or (b) contain extraneous submittals that do not garner a competitive advantage.

With this memorandum, I am providing information regarding NR submittals that have proven strongest in recent competitions, and submittals that have not added to an application's competitive score. This memorandum does not address Balanced Communities scoring nor does it address the federally- or State-designated zones or communities. The information below is organized according to the scoring sub-categories and introductory paragraph found in regulation Section 10325(c)(6).

**Locally-Adopted Plan (2 points)**

Program regulations call for a plan "adopted by the jurisdiction" as evidence that the area is "designated by a local agency." The terms "jurisdiction" and "local agency" refer to local public governmental entities. Applications containing resolutions by city councils, boards of supervisors, redevelopment agencies, or another local public governing body adopting a qualified revitalization plan have received the points. Plans adopted by local nonprofits or other nonpublic entities have not, by themselves, garnered the two points available for the plan submittal.

**Plans Specific to the Neighborhood**

Plans covering vast areas encompassing multiple neighborhoods have not, by themselves, garnered the two points for a submitted plan. Specific examples of point losses have included plans where all meaningful efforts undertaken and planned have been across a substantial physical barrier, such as a freeway or a river, from the proposed project site.

## **Findings of Need or Identification of Problems**

Plans that do not specifically describe the conditions in the neighborhood and planned efforts have not garnered the available two points. Generic redevelopment agency plans will not garner the plan points. Submitted redevelopment agency plans should be the current 5-year implementation plan required by State statute, describing specific area needs and efforts.

## **Plan Still in Effect**

Applicants providing plans for terms that have expired with no evidence of re-adoption have not garnered the two points and, in the absence of other compelling evidence, have not received any points for location within a revitalization area.

## **The Map**

Only projects within the neighborhood should be represented on the map. Striking an arc of a given radius around the site is informative, but not definitive. For example, a two-mile arc surrounding a project site may include several distinct neighborhoods with very different characteristics and needs. Also, a reasonable connection between the improvement and the neighborhood revitalization should exist. For example, adding 2,000 seats to 54,000-seat Dodger Stadium does not help revitalize the Westlake area of Los Angeles two miles away.

## **Unnecessary Plan Submittals**

An entire Consolidated Plan (ConPlan) describing how federal funds such as HOME and CDBG will be expended generally do not garner the two points for a revitalization plan. Unless it specifically targets federal funding to the locally designated revitalization area, the City's ConPlan is not helpful.

Multiple Plans that overlap the locally designated revitalization area are generally unnecessary. An application clearly describing a locally designated revitalization area, with a specific accompanying plan adopted by that local jurisdiction, typically suffices to garner the plan points. Additional overlapping fire district plans, or public works plans that have not been incorporated into the locally adopted revitalization plan do not help competitively.

Finally, extraneous information about the history of the revitalization area is generally not helpful. For example, some applicants have submitted a historical chain of redevelopment agency resolutions amending the redevelopment area boundaries over time. This information is not helpful if the application clearly describes the current boundaries, with a map. Also, any expenditure information going further than five years back in time is generally not helpful in determining a revitalization area's current status.

## **Third Party Letters (up to 2 points)**

Letters from governmental officials or nonprofit entities should clearly list funds expended within the last five years, and/or committed for future efforts within the

revitalization area. The strongest letters specifically relate the expenditures to the neighborhood's revitalization. The strongest applications have multiple letters.

### **An Explanatory Narrative (2 points)**

The regulations clearly intend to solicit a separate narrative providing a clear, succinct description of the nature and extent of the neighborhood's revitalization efforts. The regulations also solicit a clear narrative description of how the proposed project will benefit, and be benefited by, the neighborhood revitalization efforts.

Local government or nonprofit letters are scored separately and were not meant to serve as the narrative. The strongest applications provide a separate narrative, authored by the applicant or a local official, describing the interrelation between the project and the revitalization efforts.

### **Local Jurisdiction Letter (up to 3 points)**

Finally, a local governmental letter describing efforts within the area, and funding committed or expended, has garnered an additional three points. While this letter may be the same letter garnering points under the earlier 2-point category for local and nonprofit letters, it must describe actions as well as funding to garner the three points in this subcategory. The strongest applications contain governmental letters that describe efforts in the "immediate vicinity" of the proposed project site. More distant efforts, especially those across physical barriers, do not help in this scoring category.